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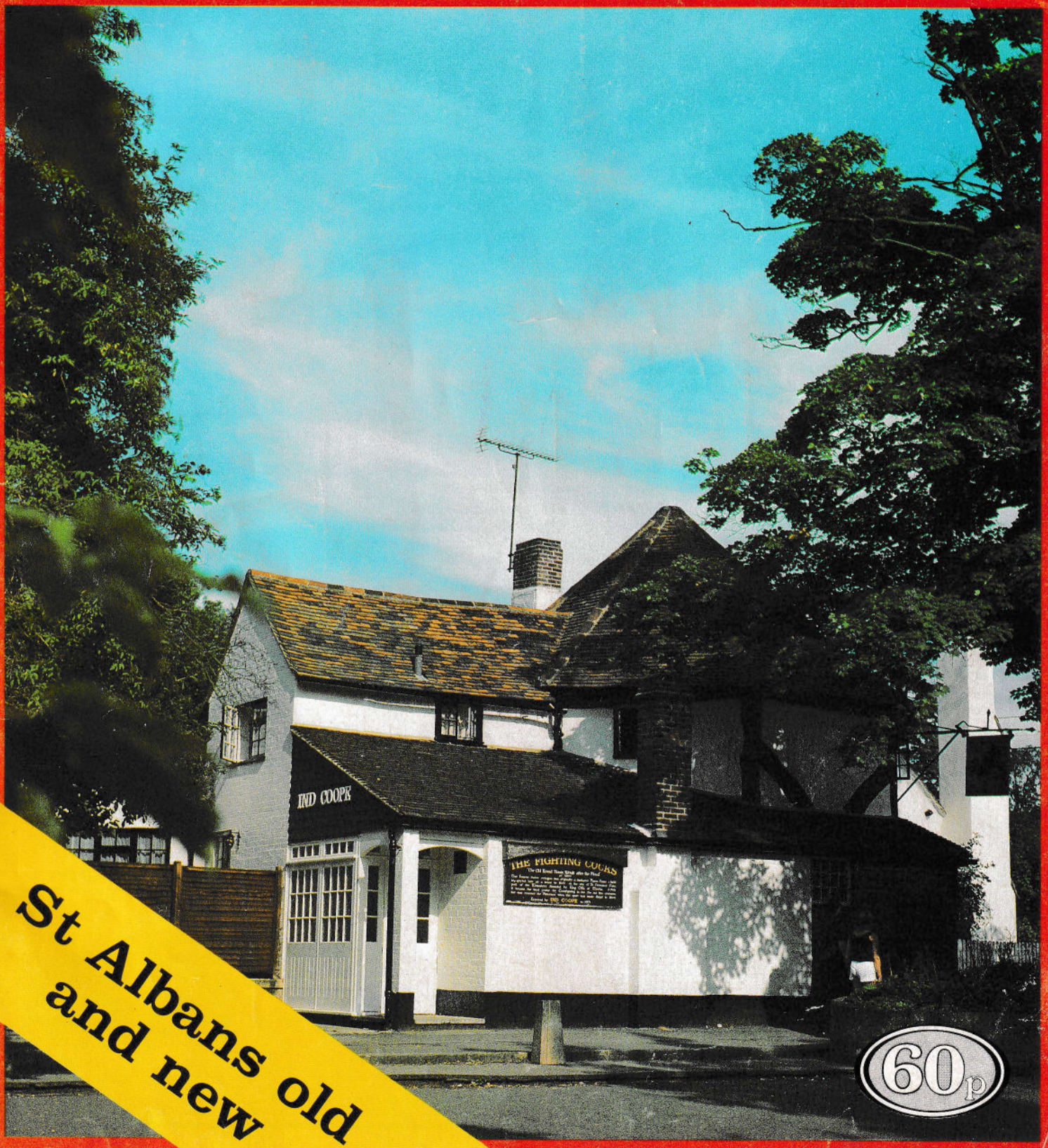

St Albans old and new

A team of Watford sixth formers have more than doubled their money in just a few months. But their winnings are only on paper, as Grace Gillions reports.

Taking stock

As someone whose knowledge of financial matters extends no further than a current bank account and a cheque book, I find economics marginally less intelligible than classical Latin. Stocks and shares are a complete mystery, and I long ago had to accept that my road to material wealth does not lie through the columns of the *Financial Times*.

But those pink pages hold few surprises for six young men from a Watford school who have managed, through shrewd investments over the past six months, to make themselves very rich.

At least they would be very rich if they were using real money.

The young men in question are all economics A-level students at Bushey Hall School, Watford, who formed a syndicate to play Stockpiler, a nationwide investment game for sixth formers. Starting with a notional capital of £50,000, they bought and sold shares with an acumen that any stockbroker would be proud of until, by the time I met them in mid-March, they had nearly doubled their original investment.

This was enough to put them in 14th place in the competition – which, with a total of nearly 2,500 syndicates taking part, was no mean achievement in itself. But just a few days after our meeting the news came through that they had moved up another three places and increased their investment to £105,398.

By now the contest will be over, the final valuations made – too late for our deadlines, unfortunately – and the contestants will know the outcome. But it will have been a close-run thing up to the end, because relatively small amounts of money have separated the top syndicates and, just as in the real world, one wrong decision could mean disaster. Indeed, the team which led the competition in January had completely disappeared from the top 20 by the following month.

But the Bushey Hall boys have been fairly confident from an early stage in the game. Their progress through the league table has been steady if unspectacular, apart from the heady month of December when they advanced from £66,000 to £97,000 in one bound, and they have made no hopelessly bad decisions.

Experience was on their side, for all six took part in the contest last year as well, gaining a valuable insight into the necessary tactics. And they really had every reason to do well, because their official contest correspondent and unofficial spokesman (when he could get a word in), 17-year-old Paul Jarvis of Oxhey, is going to be a stockbroker.

He explained, with a little heckling from the others, how they organised their strategy. "For each month of the contest

Standing, l to r: Steven Mattey, Darrin Baines, Shane Togher, Bradley Waissman, Stephen Atkins. Seated, foreground, Paul Jarvis.

we had one decision day when we could buy and sell shares. We had to invest in at least five companies and not more than ten, and the companies had to have their share prices quoted in sterling in the *Financial Times*.

"We weren't allowed to buy more than 50,000 shares in any one company. We decided to stick with lower priced shares, under £1, and we haven't lost money all through."

That in a nutshell – and devoid of the helpful additions from the rest of the team – was the essence of the contest as explained to a financial dimwit. But the official rules of the contest, which is organised by the British Junior Chamber and sponsored by Williams and Glyn's bank, go into far more complex details about scrip issues and sub-divisions, capital re-organisations, company suspensions and share price disputes, all of which is no doubt child's play to an A-level economics student but which Paul kindly spared me.

The rules of the game are of necessity strict, in order to keep it as near to life as possible. The syndicates must take such things as possible mergers, general market depreciation and rights issues into account before making their monthly decisions. Then they will find, as the Bushey Hall syndicate did, that making a profit with pretend money can be nearly as exciting as having the actual cash on the table.

One thing they find really galling is that although they know they are good at it and they now have proof that they are, they cannot convince other people. They are all perfectly willing to give other investors with real money the benefit of their advice – especially Paul, who obviously needs the practice – but nobody seems to be in need of their services as yet.

All six agree that the competition is infinitely more fun that homework. "A bit like horse-racing, only more profitable," said Bradley Waissman from his corner. But participation does not really help their economics studies other than giving them an incentive to keep up to date with the market. However, as five of them are going on to money-related activities after they leave school, the experience can do them no harm.

Shane Togher, of Chorley Wood, who qualifies as the daddy of the group by virtue of the fact that he was the first to reach 18, plans to read economics at university. Bradley Waissman, of Carpenders Park, and Steven Mattey, of Bushey, are aiming at chartered accountancy, and Darrin Baines, also of Bushey, is going into insurance.

The sixth member of the group, Stephen Atkins, from Carpenders Park, plans a future in hotel and catering management. Ironically, he is the only one of the syndicate with finance in his background; his father is a bank manager.

An interest in economics is just about the only obvious strong link between these otherwise varied personalities. None of the boys is following exactly the same choice of A-levels as any of the others and their leisure interests range from Stephen's running, through a selection of sports, to Bradley's music.

But they all seem to actually enjoy their economics studies, and this, according to one of their teachers, could be the secret of this year's competition success.

"Last year, when they were all in the lower sixth, we had two syndicates of six members each," explained Mr Colin Craddock, who is also the school's deputy headmaster. "They did quite creditably, and finished in the top 100. They seemed to cotton on to the necessary tactics just too late to get them up among the winners.

"I think it was Paul who said to me immediately after the contest finished that they wanted to go in for it again, but next time they would know how to do it.

"This year we only have the one syndicate, but all the boys are volunteers. They are very keen and I think their results show that they have gone about it very seriously."

Mr Craddock himself is the official supervisor for the team, and it was his responsibility at the end of every decision day to check the accuracy of all the calculations and valuations and to sign a declaration that the decision sheet was handed to him on the correct day. Rather like a pools coupon, if the decision sheet was postmarked even one day late it could have been invalidated.

One thing Mr Craddock was not permitted to do was give the boys any advice or tips on the shares to choose. That had to be all their own work.

"I have to admit that sometimes when I was checking their valuations I did raise my eyebrows. Some of their decisions did surprise me at the time. But I was not a party to the discussions which influenced their decisions, of course, and results have proved that they made good choices.

"Their job was made slightly harder by the need to make all their decisions on one pre-determined day each month, unlike anyone with real stocks and shares who would be able to buy or sell whenever the time seemed right. But they have done very well."

Mr Craddock likes the Stockpiler competition and hopes that his next crop of sixth formers will share his enthusiasm. But any future syndicate will have its work cut out to emulate the class of '85.

Should they have won the competition, they will now each be £50 better off and the proud possessors of replicas of the Stockpiler trophy, which goes to the school along with a prize of £1,000. Winning syndicate members will also be visiting the City of London in July as guests of Williams and Glyn's.

During our conversation, the prize did not seem to figure too largely in the thoughts of the Bushey Hall syndicate. They appreciate that winning the competition could bring them to the attention of people who might be useful to their future careers ("Is your magazine read by anyone who might give me a job?" asked Darrin hopefully at one point), but it definitely appears to have been the thrill of just coming top that they were after.

They could not resist fantasising, once or twice, about how nice it would have been to have got so far with real money.

But if they show the same kind of talent at their chosen careers as they have shown in Stockpiler, it surely cannot be that long before they will be adding a few noughts to their own bank accounts. At least I shall know where to go if ever I need lessons on playing the stock market . . . □

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